

Medical Marijuana Manufacturing Operating Plan

Overall Operating Plan

An operating plan is required for all medical marijuana manufacturing businesses. The operating plan must meet, at a minimum, the requirements as set forth in LBMC Chapter 5.90. Any statements made in the Operating Plan may not supersede any local and/or state laws, rules, and regulations.

Each section of the operating plan should be clearly labeled with a cover sheet for each section. The operating plan must have page numbers in the bottom right hand corner. DO NOT staple or bind the operating plan. You may submit the Medical Marijuana Business License Application and the Manufacturing Operating Plan in a three ring binder or in an envelope. Both the Medical Marijuana Business License Application and the Manufacturing Operating Plan must be submitted at the same time.

General Description of Services

Each applicant should submit an operating plan generally describing their proposed business model. The operating plan should provide an account of the proposed day to day operations of the facility, including a description of each step in the manufacturing process (extracting, post-processing, infusing, mixing, inspecting, packaging, labeling, etc.) that the business will engage in, and where each step will occur in the facility. Plans should also provide a description of the marijuana products and services to be provided by the manufacturing facility, including the common name for each product (e.g. cookie, candy bar, topical lotion, vaporizer cartridge, etc.).

Extraction Method

Applicants proposing to do on-site extraction should provide a full description of the extraction method to be used. This may include mechanical extraction (screens, presses), nonvolatile chemical extraction (water-based, food-based, CO₂-based), or volatile chemical extraction (butane, propane, hexane, ethanol, etc.) Applicants should describe the equipment that will be used during the extraction process. Applicants using CO₂ or volatile chemicals in the extraction process must confirm that the business will be using a closed loop extraction system.

Finally, applicants should describe any post-extraction methods that may be used to purify the marijuana product (heating, pressurizing, off-gassing, etc.) and distill/recover the solvent from the miscella. The description should list the appliances that may be used for these purposes.

Noxious Chemical Control

Applicants should provide a description of what methods will be used to ensure that odor generated inside the manufacturing facility is not detected outside the business premises. This should include a description of the odor-absorbing ventilation and exhaust system, and how that system will prevent odor from leaving the property. The operating plan may also describe alternative methods to control odors, such as a carbon filtration or other system.

In addition, applicants should provide a description of all ventilation systems used to mitigate noxious gases or other fumes used or created as part of the production process. Applicants should

also provide a description of methods that will be used to prevent the growth of harmful mold on the premises.

Toxic Material Control

Applicants should provide a description of all toxic, flammable, or other materials that will be used or kept at the medical marijuana business, the location of such materials, and how such materials will be stored. This includes all materials regulated by a federal, State, or local government that would have authority over the business if it was not a marijuana business.

Applicants should also describe methods used to comply with limitations on discharge into the wastewater system of the City, as set forth in Long Beach Municipal Code Chapter 15.16.

Quality Control

Provide a description of the manufacturing quality control procedures that will be employed by the business to ensure that marijuana products are safe and suitable for human consumption and/or use. Quality control procedures should consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process. Applicants should also discuss quality control procedures that will be used to ensure uniformity between each separately produced batch of marijuana product. This includes equipment inspection and maintenance, internal controls for each step in the manufacturing process, internal batch sampling and testing, etc.

In addition, applicants should identify potential hazardous risks for each type of marijuana product proposed to be manufactured at the facility. This includes biological hazards (mold, pests, etc.), chemical hazards (pesticides, solvent residue, etc.), and physical hazards (glass, metal, etc.). For each hazard identified, applicants should provide a list of preventive measures that will be taken to minimize the hazardous risks.

Security

Applicants should provide a detailed description of their security plans. The security component should be broken down into operational and facility security categories. Appropriate plans will have considered all potential security threats and planned for any contingency needed for these situations. A successful applicant will have both written and physical mechanisms in place to deal with each specific situation. A detailed schematic diagram (no larger than 11" x 17") of alarm systems and security camera placements that also details when all security measures will be operational should be provided.

Operational Security

Applicants will detail their operational security including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, confidential information security, visitor security, 3rd party contractor security, and transportation security. This includes storing all finished medical marijuana products in a secured and locked room, safe, or vault, and establishing limited access areas accessible only to authorized personnel. The security plan should include measures to prevent the diversion of marijuana to persons under the age of 18. The security plan should also consider measures to prevent individuals from remaining on the premises if they are not engaging in activity expressly related to the operations of the business, and ensure that medical marijuana is not inhaled, smoked, eaten, ingested or otherwise consumed on the property, or in the parking areas of the property.

This list is not intended to fully capture all areas for applicant consideration but to guide applicants into considering all possible security concerns related to the operation of a medical marijuana

manufacturing facility. The applicant should give consideration to every possible scenario and provide a response to those scenarios.

Facility Security

Applicants should provide a description of the overall facility security. In particular, the Applicant should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems, and security personnel that will be employed. The security plan should describe the enclosed, locked facility (incorporated into the building structure, or securely attached thereto) that will be used to secure or store marijuana and cash when the location is both open and closed for business. The plan should also detail the steps taken to ensure marijuana is not visible to the public.

The facility security plan should also discuss the fire and burglar alarm systems. The plan should identify the company monitoring the alarm, and provide confirmation that the company is staffed twenty-four (24) hours a day, seven (7) days a week.

Each Medical Marijuana Business shall install and maintain a fully operational digital video surveillance and camera recording system. The facility security plan should further describe the digital video surveillance and camera recording system that will be used to monitor the front and rear of the property, all public right-of-ways and any parking lots under control of the medical marijuana business, all points of ingress and egress at the business, all points of sale within the business, all areas within the business where medical marijuana products are to be prepared for shipment, and all limited access areas within the facility. The video and surveillance system shall, at a minimum, meet the following requirements:

- Capture a full view of the public right-of-ways and any parking lot under the control of the medical marijuana business;
- Be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the exterior of the property;
- Record and maintain video for a minimum of thirty (30) days. Video surveillance and recording records shall be held in confidence by all employees and for legitimate law enforcement activity to resolve criminal activity;
- Licensees are responsible for ensuring that all video or surveillance equipment is properly functioning and maintained, so that playback quality is suitable for viewing and the equipment is capturing the identity of all individuals and activities in the monitored areas;
- At each transaction location, camera coverage must enable recording of the customer's and employee's facial features with sufficient clarity to determine identity and must record video with such clarity and resolution that all transactions are clearly recorded;
- The system shall be capable of recording all monitored areas in any lighting conditions and must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises;
- A sign shall be posted in a conspicuous place near each monitored location on the interior or exterior of the premises which shall be not less than twelve (12) inches wide and twelve (12) inches long, composed of letters not less than one (1) inch in height, stating "All Activities Monitored by Video Camera" or "These Premises are Being Digitally Recorded", or otherwise advising all persons entering the premises that a video surveillance and camera recording system is in operation at the facility and recording all activity as provided in this Section; and
- All exterior camera views must be continuously recorded 24 hours a day and all interior cameras views shall be recorded during all hours that the facility is open for business.

Any security measures that exceed these standards are highly desirable.

Product Tracking and Disposal

The operating plan should identify how marijuana will be tracked and monitored to prevent diversion and theft. The plan should describe how the manufacturing business will maintain records of all marijuana product, including the level of detail that marijuana products will be tracked (e.g. marijuana supplier, lot number, date and time of manufacture, weight, ingredients, persons involved in each step of production, internal test results, etc.) The plan should provide a description of the point of sale software that the business will utilize to track inventory and sales of medical marijuana products, as well as the internal procedures the business will follow for cash handling and audits.

The operating plan should also describe the methods that will be used to make marijuana waste unusable and unrecognizable, and how marijuana waste will be stored prior to removal from the business. In addition, the plan should describe the method the business will use to transport marijuana waste from the manufacturing site to a solid waste facility or landfill.

Finally, the operating plan should include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The plan should describe how the business will transport solvent waste from the manufacturing site to a waste facility.

Product Complaints

Applicants should describe policies for receiving, recording and handling product complaints associated with the use of marijuana products provided by the manufacturing facility. Policies may include:

- A process for accepting product complaints at the manufacturing facility;
- Identification of data elements to record a complaint (e.g. name of individual submitting complaint, identity of product used, description of events, etc.);
- Review of product complaints from appropriate staff;
- Procedures for determining the proper response, which may include contacting customers and other businesses receiving the product, notifying public health authorities, or issuing a recall of product; and/or
- A process for determining any other additional follow-up that may be needed.

Product Rejection/Recall

The plan should also describe the steps that the manufacturing facility will take when notified from a testing agency or City Health Official that the tested marijuana product does not meet appropriate health standards. Briefly describe how the business will dispose of all rejected marijuana product associated with the test sample, and ensure that rejected marijuana product is not released to the public.

In addition, applicants should identify the factors that would necessitate a recall procedure from the manufacturing business. Describe the policy for communicating a recall of marijuana product that has been identified a risk to public health. The recall plan should include a mechanism for contacting customers and/or businesses who have purchased the product from the manufacturing facility, as well as health officials when necessary. The recall plan should also describe the method to collect recalled product and dispose of it in a manner that ensures it cannot be consumed or used by any individual.

Fire Plan

Applicants should provide a detailed description of their fire prevention, suppression, alarm and life safety systems. A fire inspection will be required annually to assure the City that adequate fire safety measures remain in place. An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. A detailed description of the fire prevention, suppression, alarm and life safety systems that also includes when all fire prevention measures will be submitted for approval and be operational will be required.

Employee Safety & Hygiene

Applicants should provide a summary of the safety protocols that will be adopted by the manufacturing facility, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. Businesses must conform to all Cal OSHA workplace safety standards, specifically Title 8 of the California Code of Regulations.

Applicants should describe the policies and procedures used by the business to help prevent contamination of any marijuana product. This may include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling marijuana, etc.

Labor Relations

Applicants should provide a detailed description of their plans regarding labor relations and employee relations. Labor relations must include manufacturing facility ownership partaking in a labor peace agreement with a bona fide labor organization and may include paying employees a living wage (at least 200% of the Federal Poverty Level for a family of two). The employee relations plan should provide a detailed description of employee compensation and benefits, workplace safety, educational opportunities and trainings for employees, and policies put in place against discrimination.

Community Involvement

Applicants should provide a detailed description of their plans to participate in community service within the City of Long Beach. These plans may include, but are not limited to, involvement with non-profit associations, neighborhood associations, and community groups. Applicants should demonstrate how they intend to provide their local community with community benefits and mitigate any nuisance and/or negative impacts that the facility's existence may cause. Applicants should show how they plan to have minimal nuisance or negative impacts on their neighbors and community. Nuisance/negative impacts include but are not limited to: noise, odor, increased foot or vehicle traffic, increase in waste or water production, impacts to right of way access, and/or increase in safety related concerns. Applicants should detail how they will revitalize the building/site, provide neighborhood improvements, and will be a beneficial/positive neighbor to the community.